

The Influence of Internal Control, Integrity, and Compliance with Accounting Rules on the Tendency of Accounting Fraud, with Ethical Behavior as a Moderating Variable (Study on Regional Apparatus Organizations (OPD) of the Jambi Provincial Government)

Yolanda Kerla Viana^{1*}, Wiralestari², Rita Friyani³

^{1,2,3} Departement of Accounting, Faculty of Economics and Business, Jambi University

Corresponding author* : yolandaviana19@gmail.com

Abstract

This study aims to analyze the influence of internal control, integrity, and compliance with accounting rules on the tendency of accounting fraud, as well as to examine whether ethical behavior can moderate these relationships. Accounting fraud is an act that can harm an organization both financially and reputationally; therefore, it must be prevented through relevant internal factors. This research adopts a quantitative approach by distributing questionnaires to employees involved in financial management across various Regional Government Organizations (OPD) in Jambi Province. The data analysis technique used is multiple regression analysis with a moderating variable (Moderated Regression Analysis). The results of this study indicate that internal control, integrity, and compliance with accounting rules have a significant effect on the tendency of accounting fraud. In other words, the better these three factors are implemented, the lower the individual's tendency to commit fraud. However, ethical behavior does not significantly moderate the relationship between the independent variables and the tendency of accounting fraud. This indicates that individual ethical values do not strengthen or weaken the influence of internal control, integrity, and accounting compliance on fraud tendencies. The findings imply that the government should focus more on strengthening internal control systems, instilling integrity, and enforcing compliance with accounting regulations as concrete efforts to prevent accounting fraud, without overly relying on ethical behavior.

445

IJEBIR, Volume 04 Issue 04, 2025



Copyright at authors some right reserved this work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/).

Keywords: *Internal Control, Integrity, Compliance with Accounting Rules, Accounting Fraud, Ethical Behavior.*

INTRODUCTION

Fraud is a major problem that is currently a concern, because anyone can do it, especially in this era where increasingly sophisticated technology makes it easier for them to obtain data or information regularly, making it easier for anyone to commit fraud in all kinds of different ways. Most experts define fraud as an act carried out by a person or group with a deliberate method to lie, smuggle, or gain profit under certain conditions, where the activity can harm the group concerned. Accounting fraud is divided into three categories: fraud in financial statements, misuse of assets, and corruption. Based on the results of a survey conducted by ACFE Indonesia, the most common fraud in Indonesia is corruption. The following is a presentation of the types of fraud and the number of fraud cases in Indonesia in table 1. below.

Table 1.Data on Types of Fraud and Number of Cases Occurring in Indonesia

No	Jenis Fraud	Jumlah Kasus	Persentase
1	Fraud Laporan Keuangan	22	9.2%
2	Korupsi	167	69.9%
3	Penyalahgunaan Aset/ Kekayaan Negara & Perusahaan	50	20.9%

Sumber: ACFE (2019)

Accounting fraud cases also occurred in the Jambi Regional Government. The case that occurred in Jambi, 2 ASN of the Investment and Integrated One-Stop Licensing Service of Jambi Province were threatened with dismissal, after being named as corruption suspects by the Jambi Police Criminal Investigation Directorate. The ASN had the initials F and I who were suspected of being involved in a corruption case in the KSM service facility provision program at PT Bank Mandiri KCP Samratulangi, along with three other Bank Mandiri employees, which resulted in losses of up to 3.4 billion. In this case, it can be seen that the member considered what he did to be done by someone else. Therefore, he considered it reasonable or legitimate, so he participated in the fraud. In



fact, if it had been integrated, he would have been confident because it was transparent and many were monitoring it.

The phenomenon of corruption and financial irregularities in public institutions, especially in the Jambi Province OPD environment, indicates the importance of strengthening the internal control system, strengthening integrity, and compliance with accounting rules. The tendency for accounting fraud to occur is influenced by various internal organizational factors as well as individual ethical values. Therefore, this study focuses on the influence of internal control, integrity, and compliance on the tendency of accounting fraud by including ethical behavior as a moderating variable.

LITERATURE REVIEW

Accounting Fraud Tendencies

The tendency of accounting fraud refers to financial fraud, misappropriation of assets, or illegal behavior that violates trust. This issue has received widespread attention from society and the media, both in Indonesia and globally. Such tendencies are defined as intentional behaviors, such as fraud, concealment, and manipulation in the presentation of financial reports and in the management of organizations. gaining personal advantage at the expense of other parties (Princess, 2016).

Internal Control

Internal control is the use of the company's financial resources to improve, direct, control, and supervise various activities in order to ensure the achievement of the company's financial goals. The internal control function is very important to prevent and detect fraud, as well as protect the company's resources, both tangible and intangible. Internal controls relevant to an audit, particularly those shown in the financial reporting. This is related to the purpose of the entity in preparing financial reports for external purposes.

Integrity

Integrity is a strong personal commitment to ethical principles, reflected through your behavior. This creates attachment to values that are considered ethical and valuable. Furrow, as cited by Susanto (2013), shares the view that integrity is built from commitment that creates harmony. He must have meaningful integrity and live up to his commitment consistently.



Compliance with Accounting Rules

These are the accounting documents that are responsible for the organization. If financial statements are prepared without following these rules, there may be opportunities for unethical behavior and accounting fraud. According to the Great Dictionary of the Indonesian Language (KBBI), legal obedience is compliance with the law in force, while moral compliance is the action that has been decided to be followed. Every organization generally has standards that are used by management to determine and implement various activities, including accounting rules related to accounting activities.

Ethical Conduct

Behavior is an individual's mental response to their environment. Handrane and Groot (2017) stated that behavior can be described as an activity or response to a situation. This behavior can be deliberate or not, honest or not, and intentional or unintentional. Human behavior can be moral, strange, satisfying, or vice versa. Ethical behavior reflects beliefs and practices that are generally recognized as right and good actions (Griffin and Rona\$ld, 2006: 58). There are five ethical principles that must be applied by all accountants, namely: Integrity, Objectivity, Professional Competence and Integrity, Honesty, and Professional Conduct.

RESEARCH METHOD

This research is a quantitative research. The objects to be studied in this study are the variables related to the research, namely internal control, integrity and compliance with accounting rules are independent variables, the tendency of accounting fraud is the dependent variable, and ethical behavior as a moderating variable. The subjects of this study were the OPD of the Jambi Provincial Service. The population in this study were all civil servants (PNS) in 18 registered services in Jambi Province. The sample to be studied includes all employees who meet the criteria as permanent employees or PNS and serve as heads of services, secretaries and heads of finance and assets sub-sections in each OPD, totaling 54 respondents. The type of data used in this study is quantitative data obtained through primary data from the results of distributing questionnaires with a Likert scale of 1-4.



RESULTS**Multiple Regression Analysis**

The regression analysis in this study is intended to see the extent of the influence of Internal Control, Integrity and Accounting Regulations by using the management of the SPSS program up to 25 the results are as follows.

Table 1 Results of Multiple Regression Analysis
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	61,008	5,363		11,376	,000
Internal Control	-,164	,070	-,206	-2,345	,024
Integrity	-,770	,075	-,886	-10,276	,000
Compliance with Accounting Rules	,190	,069	,247	2,770	,009

a. Dependent Variable: Accounting Fraud

Based on table 4.16, the regression equation is as follows:

$$Y = 61.008 - 0.164X_1 - 0.770X_2 + 0.190X_3 + e$$

It can be interpreted as follows:

1. The constant value is positive, which is 61.008, meaning that if Internal Control, Integrity, and Compliance with Accounting Regulations are assumed to be equal to 0, then the Tendency of Accounting Fraud has a constant value of 61.008.
2. The regression coefficient value of the Internal Control variable is -0.164. This means that every time there is an increase in Internal Control, the Tendency of Accounting Fraud will decrease.
3. The regression coefficient value of the Integrity variable is -0.770. This means that every time there is an increase in Integrity, the Tendency of Accounting Fraud will decrease.
4. The regression coefficient value of the Accounting Rule Compliance variable is 0.190. This means that every time there is an increase in Accounting Rule Compliance, the Tendency of Accounting Fraud will increase.



Determination Coefficient (R²)

The determination coefficient test is a test that aims to determine the percentage of the overall influence of the independent variable on the dependent variable. From the determination test, the R² value is produced as can be seen in the following table

**Table 2 Coefficient of Determination Test
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimte
1	,861	,742	,721	2,121

a. Predictors: (Constnt), Accounting Rules Compliance, Integrity, Internal Control

Based on table 2, it is known that the adjusted R square value is 0.721, which means that 72.1% of the tendency for accounting fraud is influenced by internal control, integrity and compliance with accounting rules, while the remaining 27.9% is influenced by other variables outside the model.

Hypothesis Test**F Test**

The F test is intended to determine whether the independent variables simultaneously affect the dependent variable. The results of the F calculation for the regression model studied can be seen in the following table.

**Table 3 Results of F Statistical Test
ANOVA^a**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	477,645	3	159,215	35,402	,000 ^b
Residual	166,404	37	4,497		
Total	644,049	40			

a. Dependent Variable: Accounting Fraud

b. Predictors: (Constant), Accounting Rule Compliance, Integrity, Internal Control



Based on the test results as attached, the calculated F value of 35.402 is greater than the F table of 2.86 ($df_1=3$, $df_2=37$, $\alpha=5\%$) so that it can be interpreted that internal control, integrity and compliance with accounting rules together have a significant effect on the tendency of accounting fraud and it can be concluded that H1 is accepted.

t-test

The t-statistic test aims to see the partial influence between internal control, integrity and compliance with accounting rules on the tendency of accounting fraud. The results of the t-statistic test can be seen in the following table.

**Table 4 Results of the t-Test
Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	61,008	5,363		11,376	,000
Internal Control	-,164	,070	-,206	-2,345	,024
Integrity	-,770	,075	-,886	-10,276	,000
Compliance with Accounting Rules	,190	,069	,247	2,770	,009

a. Dependent Variable: Accounting Fraud

Table 4 above shows that the t-value of the Internal Control variable (X1) is -2.345 and sig. 0.024 < 0.05, then H2 is accepted. This means that Internal Control has an effect on the Tendency of Accounting Fraud.

The t-value of the Integrity variable (X2) is -10.276 and sig. 0.000 < 0.05, then H3 is accepted. This means that Integrity has an effect on the Tendency of Accounting Fraud.

The t-value of the Accounting Rule Compliance variable (X3) is 2.770 and sig. 0.009 < 0.05, then H4 is accepted. This means that Accounting Rule Compliance has an effect on the Tendency of Accounting Fraud.

Moderation Variable Test

Moderation variables are variables that affect the strength or direction of the relationship between the independent variable and the dependent variable, either by strengthening or weakening the relationship. This study uses an interaction test to test whether ethical behavior variables are able to moderate the relationship between internal

451



control, integrity and compliance with accounting rules on the tendency of accounting fraud. In this test, the researcher uses Moderated Regression Analysis (MRA) as can be seen in the following table.

**Tabel 5 Moderated Regression Analysis
Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	75,689	8,784		8,617	,000
Internal Control	-,144	,068	-,180	-2,114	,041
Integrity	-,751	,072	-,865	-10,386	,000
Compliance with Accounting Rules	,202	,066	,262	3,054	,004
Ethical Behavior	-,316	,153	-,170	-2,062	,047

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	168,882	116,610		1,448	,157
Internal Control	,368	1,945	,463	,189	,851
Integrity	,966	2,162	1,111	,447	,658
Compliance with Accounting Rules	-3,532	1,978	-4,586	-1,786	,083
Ethical Behavior	-1,977	2,098	-1,062	-,942	,353
X1*Z	-,010	,036	-,772	-,275	,785
X2*Z	-,032	,040	-2,290	-,817	,420
X3*Z	,069	,036	5,562	1,890	,068

a. Dependen Variabel : Accounting Fraud

Based on table 5, the following regression equation is produced:

(Persamaan 1)

$$Y = 75,689 - 0,144 X_1 - 0,751 X_2 + 0,202 X_3 - 0,316 Z + e$$



(Persamaan 2)

$$Y = 168,882 + 0,368 X_1 + 0,966 X_2 - 3,532 X_3 - 1,977 Z - 0,010 X_1 * Z - 0,032 X_2 * Z + 0,69 X_3 * Z + e$$

Some interaction test methods can be known as follows:

1. Based on the results of the results (1), it is known that the b4Z coefficient is significant with a value of 0.047. However, in equation (2) the interaction coefficient b5X1*Z is not significant because the probability value is 0.785 which is greater than 0.05. Thus, the value of ethical behavior (Z) does not act as a value of moderation. This means that my ethical behavior is not able to moderate the relationship between internal control and fraud tendencies, so that hypothesis H5 is rejected.
2. The results of equation (1) show that b4Z is significant at 0.047 and equation (2) b6X2*Z is not significant where the probability value is 0.420 > 0.05, so the ethical behavior variable (Z) is not a moderating variable, in other words, ethical behavior cannot moderate the relationship between the integrity variable and the tendency to commit accounting fraud, so that H6 is rejected.
3. The results of equation (1) show that b4Z is significant at 0.047 and equation (2) b7X3*Z is not significant where the probability value is 0.068 > 0.05, so the ethical behavior variable (Z) is not a moderating variable, in other words, ethical behavior cannot moderate the relationship between the variable of accounting regulation compliance and the tendency towards accounting fraud, so that H7 is rejected.

DISCUSSION**The Influence of Internal Control on the Tendency of Accounting Fraud**

The results of the statistical test show that internal control has a t-value of -2.345 with a negative value greater than the t-table of 2.026 with a significance value of 0.024 less than 0.05, then Ha is accepted, so that the internal control variable has a negative effect on the tendency of accounting fraud.

Theoretically, internal control is one of the main factors that influence the tendency of accounting fraud. The negative influence it has shows an inverse relationship, where the stronger the internal control, the lower the possibility of fraud.

The results of this study are in line with research conducted by Fadhilah, et al. (2021), Putri (2021), Yulia, et al. (2021) and Biani Naeli Muna, et al. (2018) which stated that internal control has a negative effect on the tendency of accounting fraud.

453



The Influence of Integrity on the Tendency of Accounting Fraud

The regression coefficient value of the Integrity variable which is -10.276 indicates that Integrity that has been carried out in OPDs - OPDs of Jambi Province is able to significantly reduce the potential or occurrence of accounting fraud that may occur or has occurred.

The principle of integrity requires individuals to have a character based on honesty, courage, wisdom, and a sense of responsibility, in order to build trust as a foundation for making decisions that can be trusted.

The results of this study are in line with research conducted by Dewi and Ratnadi (2017) which found that integrity has a negative effect on the tendency of accounting fraud. Integrity requires a member to be honest and frank without having to sacrifice the secrets of the recipient of services.

The Effect of Compliance with Accounting Rules on the Tendency of Accounting Fraud

The results of the statistical test show that internal control has a t-value of 2.770, which is positive and greater than the t table of 2.026, with a significance value of 0.009 which is less than 0.05. Thus, H_a is accepted, which means that the variable of compliance with accounting rules has a positive effect on the tendency of accounting fraud. This finding indicates that the stronger the application of rules in an agency, the tendency of accounting fraud in the OPD of the Jambi Provincial Government Office will decrease.

The results of this study are in line with the study of Chairunnisa (2025) which states that the variable of compliance with accounting rules has a positive effect on the tendency of accounting fraud.

The Influence of Ethical Behavior on the Relationship between Internal Control and the Tendency of Accounting Fraud

The results of the statistical test show that equation (1) shows that b_4Z is significant at 0.047 and equation (2) b_5X_1*Z is not significant where the probability value is $0.785 > 0.05$, then the ethical behavior variable (Z) is not a moderating variable, in other words, ethical behavior cannot moderate the relationship between internal control variables and the tendency of accounting fraud.

The results of this study are not in line with the findings of Fadhilah (2021), which states that ethical behavior acts as a moderating variable in the relationship between

454



internal control and the tendency of accounting fraud. In the context of an organization, behavior is based on ethical principles such as honesty, fairness and integrity. Internal control is designed to encourage employees to act in accordance with the organization's expectations, so that their behavior is in line with the goals to be achieved. The existence of an internal control system is crucial for every entity because it can minimize the risk of errors or violations, including fraud.

The Influence of Ethical Behavior on the Relationship between Integrity and the Tendency of Accounting Fraud

The results of the statistical test show that equation (1) shows that b_4Z is significant at 0.047 and equation (2) $b_6X_2^*Z$ is not significant where the probability value is $0.420 > 0.05$, then the ethical behavior variable (Z) is not a moderating variable, in other words, ethical behavior cannot moderate the relationship between the integrity variable and the tendency of accounting fraud.

These results are in accordance with research conducted by Putri and Lestari (2019) in their research they found that ethical behavior was unable to significantly moderate the relationship between integrity and accounting fraud, due to the weak instillation of ethical values in the company.

Based on the results of the analysis, ethical behavior does not act as a significant moderating variable in the relationship between integrity and the tendency of accounting fraud. This shows that the influence of integrity on the tendency of accounting fraud is direct and does not depend on the level of individual ethical behavior.

The Influence of Ethical Behavior on the Relationship between Compliance with Accounting Rules and the Tendency of Accounting Fraud

The results of equation (1) show that b_4Z is significant at 0.047 and equation (2) $b_7X_3^*Z$ is not significant where the probability value is $0.068 > 0.05$, then the ethical behavior variable (Z) is not a moderating variable, in other words, ethical behavior cannot moderate the relationship between the variable of compliance with accounting rules and the tendency of accounting fraud, so that.

These results are in accordance with research conducted by Fadhilah (2021) which states that the interaction between ethical behavior and compliance with accounting rules has no effect on the tendency of accounting fraud.

The theory of moral development explains that individuals go through several stages in determining their level of morality, where in the early stages, personal interests



are often the main basis for decision making. However, the results of this study indicate a discrepancy with the theory, which is likely caused by the lack of individual awareness in making moral reasoning the foundation of ethical behavior. Basically, moral development reflects a person's thought process in understanding the reasons behind the right or wrong of an action, as well as the ability to listen, consider and make decisions based on the ethical views they believe in.

CONCLUSION

Based on the results of the analysis of the influence of internal control, integrity and compliance with accounting rules on the tendency of accounting fraud with ethical behavior as a moderating variable, it can be concluded that internal control, integrity and compliance with accounting rules have an effect on the tendency of accounting fraud in the Regional Apparatus Organization (OPD) of the Jambi Provincial Government Office, while based on the results of the moderation regression analysis, it was found that there was no interaction between ethical behavior on internal control, integrity, and compliance with accounting rules that had an effect on the tendency of accounting fraud. This finding indicates that ethical behavior does not play a role as a moderating variable in the relationship between internal control, integrity, accounting compliance and accounting fraud tendencies.

BIBLIOGRAPHY

- Dewi, K. Y. K., & Ratnadi, N. M. D. (2017). The Influence of Internal Control, and Integrity on the Tendency of Accounting Fraud in Regional Government Work Units of Denpasar City. *UDAYANA University Accounting Journal*, 18(2), 917–941. <https://erepo.unud.ac.id/id/eprint/12034>
- Fadhilah, F. N., Abdullah, M. W., & Suhartono, S. (2021). The Effect of Internal Control and Compliance with Accounting Rules on the Tendency of Accounting Fraud with Ethical Behavior as a Moderating Variable. *ISAFIR: Islamic Accounting and Finance Review*, 2(2), 239–252. <https://doi.org/10.24252/isafir.v2i2.24433>
- Fanny Yulia, Rita Anugerah, & Nur Azlina. (2021). *gatot,+10+Naskah+10++V3+N1+Fanny* (1). 017(2).
- Ghozali, Imam. 2014. *Multivariate Analysis Application with IBM SPSS 22 Program*. Edition V. Semarang: Diponegoro University Publishing Agency.
- <https://acfe-indonesia.or.id/wp-content/uploads/2021/02/SURVEI-FRAUD-INDONESIA-2019.pdf>



- Indonesian Accounting Association, 2009, Financial Accounting Standards, PSAK No. 1: Presentation of Financial Statements. Jakarta: Salemba Empat.
- Indiriantoro, Nur and Supomo, Bambang. 2014. Business Research Methodology for Accounting and Management. First Edition. BPFE-Yogyakarta. Yogyakarta.
- Laoli, V. S. (2022). The Effect of Accounting Rule Compliance, Information Asymmetry, Internal Control, and Compensation Suitability on the Tendency of Accounting Fraud (Case Study at BRI Gunungsitoli Branch Office). Journal of Economics, Business and Technology, 3(1), 1–26.
- Lestari, Ni Komang Linda and Supadmi, Ni Luh. 2017. The Effect of Internal Control, Integrity and Information Asymmetry on Accounting Fraud. E-Journal of Accounting Vol. 21 No. 1
- Muna, B. N., & Haris, L. (2018). The Effect of Internal Control and Information Asymmetry on the Tendency of Accounting Fraud. journal of accounting, economics and business management, 6(1), 35–44. <https://doi.org/10.30871/jaemb.v6i1.809>
- Nurhayati, N., & Muniarty, P. (2018). The Influence of Internal Control Systems and Information Asymmetry on the Tendency of Accounting Fraud and Its Impact on the Quality of Financial Reports. Valid Scientific Journal, 15(2), 125–135. <http://journal.stieamm.ac.id/index.php/valid/article/view/33>
- Putri, N. E. (2021). The Influence of Internal Control, Integrity, and Information Asymmetry on the Tendency of Accounting Fraud in Pekanbaru Pharmaceutical Distributors. Proceedings of the National Seminar on Economics, Business and Accounting, 1(1), 122–130.
- Tuanakotta, Theodorus M. 2013. Audit Based on ISA (International Standards on Auditing). Jakarta: Salemba Empat.
- Tunggal, Amin Widjaja. 2007. Management Audit. Jakarta: Rineka Cipta.
- Umar, H., Usman, S., & Purba, R. B. R. (2018). The influence of internal control and competence of human resources on village fund management and the implications on the quality of village financial reports. International Journal of Civil Engineering and Technology, 9(7), 1526-1531.
- Undayani, Anak Agung K. Finty and Sari, Maria M. Ratna. 2017. The Influence of Internal Control and Individual Morality on the Tendency of Accounting Fraud. E-Journal of Accounting, Udayana University Vol. 18 No. 3
- Wonar, K., Falah, S., & Pangayow, B. J. (2018). The Influence of Village Apparatus Competence, Financial Reporting Compliance and Internal Control System on Fraud Prevention with Moral Sensitivity as a Moderating Variable. Journal of Accounting, Audit & Asset, 1(November), 63-89.

